

STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
601 DELAWARE AVENUE
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 72-35

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PERSONAL INCOME TAX

- Long-Term Capital Losses

On the federal income tax return taxpayers who have net long-term capital losses must further reduce the loss by 50% when determining the amount currently deductible and any carry-over to subsequent years.

Will the taxpayer be allowed to claim the full loss before the 50% reduction on the State Tax return?

No. The modification in the state law for 1971 states:
"The amount of any long-term capital gains deduction allowable under the laws of the United States attributable to long term capital gains realized before January 1, 1972."

There is no provision for adding back the 50% portion of long-term loss which is not allowable in the computation of Federal Adjusted gross income.



J. H. Kennedy
Director of Revenue

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